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Frederick aldermen look at water and sewer fees *by Katherine heerbrandt*

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Home builders in Frederick city may soon pay less in water and sewer fees, while those who redevelop commercial property may pay nothing.

When builders obtain a Frederick city building permit, they must pay an "impact fee" that the city uses to repay the debt it took on to build the water and sewer systems that allow for that growth. Over the past 10 years, the city has borrowed \$134 million to increase water and sewer capacity to accommodate growth. A business that redevelops space receives credits, but must pay additional fees based on the number of fixtures, including drains, sinks and toilets, in the project and the type of business that will occupy the renovated space.

Some businesses, like restaurants, use more water than retail stores, for example.

But under a proposal presented to the aldermen this week, the business owner will pay nothing in impact fees if the size of the building stays the same. The city would then monitor the use to determine if a fee should be assessed.

And home builders, who now pay the same amount whether they are building single-family homes, apartments or townhouses, would pay a different fee based on the type of housing they are building.

Zack Kershner, the city's engineer, recommended that if usage increases by more than 25 percent, or 500 gallons per day over the previous year, the business will have to pay an impact fee.

"We want to assess fees in accordance with usage," Kershner said during the aldermen's workshop on Wednesday. "Our intent is to assess fees equitably and fairly across the board."

But by instituting the proposed changes, the city could collect "less and less, and still have bonds to pay off," Alderman Kelly Russell (D) said.

Kershner acknowledged that if the proposed changes were in place in 2011, the city would have taken in \$200,000 less in impact fees than the \$2.5 million it collected.

But he anticipates that the losses would be balanced out because other projects used more water and sewer than had been allocated. "We will recapture some of the fees currently missing. Some of the assessments of how much water and sewer a project will use have been way off from what they are actually using," Kershner said.

Aldermen agreed that the proposal is an improvement over existing regulations, and will discuss actual costs of the changes and review a draft of the ordinance at a future workshop.

Alderman Carol Krimm (D) warned that the city must be mindful of the challenges the city has faced in water capacity in the past. "We have had severe water shortages, and it could happen again. That always has to be part of the conversation; we can never forget that when we are talking about water and water use," she said.

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